

Message Text

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PAGE 01 STATE 182797
ORIGIN EA-09

INFO OCT-01 ISO-00 ONY-00 /010 R

DRAFTED BY EA/J:SMECTON:KAM
APPROVED BY EA/J:NPLATT
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-----088374 042054Z /61

R 040043Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO

UNCLAS STATE 182797

E.O. 11652: N/A

TAGS: EAIR, JA

SUBJECT: CIVIL AVIATION NEGOTIATOR FOR JAPANESE TALKS

1. FOLLOWING IS ARTICLE WHICH APPEARED IN POST ON 8/3.
BEGIN QUOTE. BROWNE EYED AS AIR PACT NEGOTIATOR. THE
WHITE HOUSE IS CONSIDERING NAMING SECOR D. BROWNE, FORMER
CHAIRMAN OF THE CIVIL AERONAUTICS BOARD, AS SPECIAL AMBAS-
SADOR TO NEGOTIATE A NEW AIR SERVICES AGREEMENT WITH
JAPAN, INFORMED SOURCES SAID YESTERDAY.

2. IT WAS DURING BROWNE'S TENURE AT THE BOARD--FROM
OCTOBER 1969 TO FEBRUARY 1973--THAT THE BOARD EMBARKED ON
MANY OF THE POLICIES AND PROCEDURES THAT HAVE LED THE FORD
AND CARTER ADMINISTRATIONS TO SEEK A REVISION TO THE 1938
STATUTE UNDER WHICH THE BOARD OPERATES.

3. BROWNE LAST YEAR TESTIFIED BEFORE THE SENATE COMMERCE
COMMITTEE AGAINST LEGISLATION TO REDUCE FEDERAL REGULATION
OF THE AIRLINE INDUSTRY, LEGISLATION THE CARTER ADMINISTRA-
UNCLASSIFIED

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PAGE 02 STATE 182797

TION HAS STRONGLY BACKED.

4. "IT IS MY VIEW THAT THE PROPOSED BILL IS UNSOUND IN ITS
BASIC ASSUMPTIONS AND WILL PROVE ADVERSE TO THE PUBLIC IN-
TEREST IN ITS EFFECTS ON THE CIVIL AIR TRANSPORT SYSTEM..."
BROWNE TESTIFIED.

5. "I REALLY THINK THAT WE ARE LOOKING AT THE WRONG DIREC-

TION," HE SAID. "THE AIRLINE PROBLEMS ARE NOW DUE TO THE FACT THAT THE PRODUCT IS NOT PRICED TO GIVE ANYTHING LIKE THE PROPER RETURN ON INVESTMENT THAT YOU WOULD EXPECT IN ANY OTHER BUSINESS.

6. "THE FARE STRUCTURE SHOULD PROVIDE ADEQUATE YIELD FOR AN ECONOMICALLY VIABLE SYSTEM CAPABLE OF OPERATING, EXPANDING AND EQUIPPING ITSELF, NOT A YIELD VITIATED BY BUREAUCRATIC FUDGEFACTORS, AND CARRIER COMPETITIVE HARA-KARI."

7. WHILE BROWNE WAS CHAIRMAN OF THE BOARD, THE AGENCY EMBARKED ON THE CONTROVERSIAL AND NOW-DISCREDITED "ROUTE MORATORIUM" DURING WHICH IT DECLINED TO HEAR ANY AIRLINE APPLICATIONS FOR NEW ROUTES, AS WELL AS POLICIES SANCTIONING AGREEMENTS WHERE CARRIERS AGREED ON WHICH ROUTES TO END COMPETITION AND WHERE TO JOINTLY REDUCE THE NUMBERS OF FLIGHTS THEY WERE OPERATING BETWEEN THE SAME CITIES.

8. ALTHOUGH BROWNE DENIED EVER INSTITUTING THE "ROUTE MORATORIUM" AND NO BOARD ANNOUNCEMENT WAS EVER MADE, THE CAB'S CHIEF ADMINISTRATIVE LAW JUDGE TOLD THE SENATE ADMINISTRATIVE PRACTICE AND PROCEDURES SUBCOMMITTEE DURING ITS HEARINGS ON THE BOARD THAT HE HAD BEEN GIVEN "INFORMAL INSTRUCTIONS FROM THE CHAIRMAN'S OFFICE" THAT THERE WAS AN UNOFFICIAL ROUTE MORATORIUM.

UNCLASSIFIED

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PAGE 03 STATE 182797

9. HOWEVER, BROWNE ADMITTED AND DEFENDED MAKING SPEECHES DECRYING THE FINANCIAL HEALTH OF THE INDUSTRY AND WARNING THE CARRIERS AGAINST ADDING TO THEIR ROUTE SYSTEMS.

10. BROWNE, 61, WAS AN AERONAUTICAL ENGINEER; HE NOW HEADS A CONSULTING FIRM HERE. HE COULD NOT BE REACHED FOR COMMENT.

11. THE JAPANESE ARE SEEKING A NEW AGREEMENT SIMILAR TO ONE RECENTLY NEGOTIATED WITH THE BRITISH BY SPECIAL AMBASSADOR ALAN S. BOYD, ALSO A FORMER CAB CHAIRMAN. THAT AGREEMENT IS THE SUBJECT OF SOME CONTROVERSY, AND SEVERAL LEGAL CHALLENGES TO ITS VALIDITY ARE EXPECTED. END QUOTE. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, PRESS COMMENTS, NEGOTIATIONS, PERSONNEL ASSIGNMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Aug-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE182797
Document Source: CORE
Document Unique ID: 00
Drafter: SMECTON:KAM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770280-0066
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770896/aaaaddny.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f79afc61-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1707348
Secure: OPEN
Status: NATIVE
Subject: CIVIL AVIATION NEGOTIATOR FOR JAPANESE TALKS
TAGS: EAIR, JA, (BROWNE, SECOR D)
To: TOKYO
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f79afc61-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009